



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIRST SEMESTER – NOVEMBER 2024

UBC1MC02 – FINANCIAL ACCOUNTING



Date: 09-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

SECTION A - K1 & K2 (CO1)

Q.No	Levels	Answer ALL the Questions	(10 x 2 = 20)
1	K1	Define 'Financial Accounting'.	
2		Show the necessary journal entries to adjust the following. 1. Salary outstanding Rs.10,000 2. Goods worth Rs.2000 distributed as free samples to customers.	
3		What is the need for fire insurance?	
4		How do you allocate the following expenses in department. a. Salaries b. Lighting c. Advertising d. Labour welfare expenses	
5		What is partial repossession?	
6	K2	State any two objectives of Indian Accounting Standard?	
7		Give two examples of obsolescence and write a short on it.	
8		List different types of branches.	
9		Give short on Inter-departmental transfer.	
10		Distinguish between hire purchase price and cash price.	

SECTION B – K3 & K4 (CO2)

		Answer ALL the Questions	(4 x 10 = 40)																																												
11	K3	Classify various accounting concepts briefly.																																													
12		[OR]																																													
		Construct a Trial Balance from the following items.																																													
		<table><tr><td>R's Capital Account</td><td>41,000</td><td>Discount allowed to customers</td><td>1,200</td></tr><tr><td>R's Drawings Account</td><td>2,000</td><td>Sales</td><td>55,000</td></tr><tr><td>Opening Stock</td><td>17,000</td><td>Carriage Inwards</td><td>1,300</td></tr><tr><td>Machinery</td><td>20,000</td><td>Insurance</td><td>800</td></tr><tr><td>Office Furniture</td><td>1,500</td><td>Printing and stationery</td><td>675</td></tr><tr><td>Sundry Debtors</td><td>38,000</td><td>Rent and Taxes</td><td>1,100</td></tr><tr><td>Sundry Creditors</td><td>45,000</td><td>Office Salaries</td><td>8,300</td></tr><tr><td>Cash at bank</td><td>18,200</td><td>Returns Inwards</td><td>1,000</td></tr><tr><td>Cash in hand</td><td>750</td><td>Returns Outwards</td><td>925</td></tr><tr><td>Purchases</td><td>30,000</td><td>Bills Receivable</td><td>1,800</td></tr><tr><td>Bills Payable</td><td>1,700</td><td></td><td></td></tr></table>	R's Capital Account	41,000	Discount allowed to customers	1,200	R's Drawings Account	2,000	Sales	55,000	Opening Stock	17,000	Carriage Inwards	1,300	Machinery	20,000	Insurance	800	Office Furniture	1,500	Printing and stationery	675	Sundry Debtors	38,000	Rent and Taxes	1,100	Sundry Creditors	45,000	Office Salaries	8,300	Cash at bank	18,200	Returns Inwards	1,000	Cash in hand	750	Returns Outwards	925	Purchases	30,000	Bills Receivable	1,800	Bills Payable	1,700			
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13	Following are the extracts from the trial balance of a firm as at 31st March,2003.																																														
	<table><tr><td>Particulars</td><td>Dr.(Rs.)</td><td>Cr.(Rs.)</td></tr><tr><td>Sundry Debtors</td><td>2,05,000</td><td>--</td></tr><tr><td>Provision for Doubtful Debts</td><td>--</td><td>10,000</td></tr><tr><td>Bad debts</td><td>3,000</td><td>--</td></tr></table>			Particulars	Dr.(Rs.)	Cr.(Rs.)	Sundry Debtors	2,05,000	--	Provision for Doubtful Debts	--	10,000	Bad debts	3,000	--																																
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	Additional Information: Additional bad debts Rs.5,000. Maintain the provision for doubtful debts @10% on debtors.																																														
	Make necessary Journal and ledger entries and show the Profit and Loss account and Balance																																														

Sheet.

[OR]

14 X purchased a second hand machine for Rs.8,000 on 1st April 2010. He spent Rs.3,500 on its installation. Depreciation is written off @ 10% p.a. on the original cost. On 30th June 2013, the machine was found to be unsuitable and sold for Rs.6,500. Prepare machinery account from 2010 to 2013 assuming that the accounts are closed on 31st December every year.

15 Indian Trader, Bombay opened a Branch at Baroda on 1.1.2018. The following information is available in respect of the branch for the year 2018.

K4

Particulars	Rs.
Goods sent to branch	75,000
Cash Sales at branch	50,000
Credit Sales at branch	60,000
Salary of the branch paid by Head office	15,000
Office expenses paid by Head office	12,000
Cash remittance to branch towards petty cash	6,000
Petty Cash as on 31.12.2018	500
Debtors on 31.12.2018	5,000
Stock on 31.12.2018	27,000

[OR]

16 Fire occurred in the premises of Mr. Srinivasan on May 1, 2003 and the stock was destroyed. Following information was available from the records.

Particulars	Rs.
Purchases for 2002	8,88,000
Sales for 2002	11,60,000
Purchases from January 1,2003 to May1,2003	1,82,000
Sales from January 1,2003 to May1,2003	2,40,000
Stock on January 1,2002	1,44,000
Stock on December 31,2002	2,42,000
Wages paid during 2002	1,00,000
Wages paid during January 1, 2003 to May 1,2003	18,000

The stock salvage was Rs.25,000. A fire insurance policy for Rs.2,00,000 was taken to cover the loss by fire. There was a practice in the concern to value the stock at cost less 10%. But this practice was changed and stock on December 31, 2002 was valued at cost plus 10%. Calculate the amount of claim to be submitted with the insurance company for stock lost by fire.

17 The following purchases were made by a business house three department:

Dept. A	1,000 units	}	At a total cost of Rs.1,00,000
Dept. B	2,000 units		
Dept. C	2,400 units		

Stock on January 1, were

Dept. A	120 units
Dept. B	80 units
Dept. C	152 units

The sales were

Dept. A	1,020 units at Rs.20 each
Dept. B	1,920 units at Rs.22.50 each
Dept. C	2,496 units at Rs.25 each

The rate gross profit is the same in each case. Prepare the Departmental Trading Accounts.

[OR]

Differentiate between Hire Purchase and Instalment Purchase.

SECTION C – K5 & K6 (CO3)

Answer ALL the Questions

(2 x 20 = 40)

- 19 K5 From the following trial balance of Thiru. Rehman as on 31.3.2005. Prepare Trading and Profit and Loss account and Balance Sheet taking into account the adjustments:

Debit Balances	Rs.	Credit Balances	Rs
Land and Building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return Outwards	500
Stock 1-4-1994	5,760	Sundry Creditors	6,300
Sundry debtors	14,500	Bills Payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at Bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel and Power	4,730		
Carriage on Sales	3,200		
Carriage on Purchases	2,040		
Salaries	15,000		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
	1,76,580		1,76,580

Adjustments:

- Stock on 31.3.1995 was Rs.6,800
- Salary outstanding Rs.1,500
- Insurance prepaid Rs.150
- Depreciate machinery @ 10% and patents@ 20%
- Create a provision of 2% on debtors for bad debts.

[OR]

- 20 Onkar Corporation Ltd. has two branches- one at Jaipur and another at Lucknow. Goods are invoiced to branches at cost plus 50%. Branches remit all cash received to Head Office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the “Stock and Debtors System” to show the profit earned at the Jaipur Branch:

Particulars	Rs.
Stock on January 1,2003	9,300
Debtors on January 1,2003	6,800
Goods sent to Branch (at cost)	34,000
Sales at Branch	
Cash	25,010
Credit	31,000
Cash Collected from Debtors	30,400
Goods returned by Branch to H.O.	1,200
Goods transferred from Lucknow Branch to Jaipur Branch	1,500

Shortage of Stock	2,100
Shortage of Stock at Branch	450
Discount allowed to customers	200
Expenses at Branch	5,400

- 21 From the following particulars given by Messrs Tins and Toys, prepare a Departmental Trading and Profit and Loss Account for their two Departments, viz., Tins Department, and Toys for the year ended March 31,2003.

Particulars	Rs.
Opening Stock	
Toys	5,000
Tins	15,000
Raw material Consumed (Tins)	36,000
Stores consumed	9,000
Wages:	
Tins	6,000
Toys	3,000
Advertisement	1,500
Packing expenses (Toys)	600
Office Expenses	4,800
Depreciation	
Factory	3,200
Building	1,600
Sales:	
Tins	90,000
Toys	18,000
Closing Stock:	
Toys	6,000
Tins	12,000

K6

You are also given the following additional information:

- Toys are made of end bits of sheets of raw material used by Tins Dept. The value of such material used during the year by Toys Dept. Rs. 2,000.
- Toy making does not require any equipment.
- Only one – eighth of the total area of the building is occupied by Toys dept.

[OR]

- 22 The Madras Transport Company purchases a three-wheeler from the Bombay Motors Ltd. on the Hire – Purchase on 1.1.1999, paying cash Rs.10,000 down and agreeing to pay further three instalments of Rs.10,000 each on 31st December every year. The cash price of the car is Rs.37,250 and the Bombay Motors Ltd.charge interest at 5%. The Madras Transport Company writes off 10% p.a as depreciation on the reducing instalment system. Pass journal entries and prepare Three-Wheeler Account and Bombay Motors Account in the books of Madras Transport Co.
